PA-1 F
MAR 22 1988
D 2.14:PA-1 F

1988 Edition

Disability Separation

American Forces Information Service
Department of Defense

D 2.14:
READEX FICHE
best copy available

*DoD PA–1F**
*DA Pam 360–506 (Rev. 1988)**
*AFP 211–34 (Rev. 1988)**
*NAVMC 2675 (Rev. 1988)**
*CG 283 (Rev. 1988)**
NAVEDTRA 46601–F
(Navy Stock 0503–LP–212–6100)

*This pamphlet supersedes
DoD PA–1E
DA Pam 360–506 (Rev. 1987)
AFP 211–34 (Rev. 1987)
NAVMC 2675 (Rev. 1987)
CG 283 (Rev. 1987)
NAVEDTRA 46601E

The American Forces Information Service does not stock copies of this publication for general distribution. For additional copies, contact your command publications office or the Superintendent of Documents, United States Government Printing Office, Washington, D.C. 20402.

American Forces Information Service
Department of Defense

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402

Disability Separation

CONTENTS

I

2 **Some Are Retired; Others Are Discharged**

II

3 **What's The Procedure?**
Initial Steps
Start Now to Get a Feel For the Formalities

3 **You and The PEB**
What Does the FEB Recommend?
What You Should Do
Enter Your Military Counsel
Rebutting The PEB Findings

5 **The Physical Review Council**
What Might The PRC Do?
When the PRC Disagrees With the PEB

6 **The Physical Disability Appeal (Review) Board**

6 **One Last Military Board**

7 **While You Wait for The Decision**

III

8 **DoD Guidelines: Physical Disability Separation**

IV

9 **Kinds Of Separations**
Disability Retirements
Permanent Disability Retirement
Temporary Disability Retired List
Separation With Severance Pay
Discharge Without Severance Pay

V

12 **Computing Disability Retirement Pay**
Military and Government Disability Pensions
Two-Year Service Requirement Not Applicable

VI

15 **Survivor Benefit Plan**
Beneficiaries
Cost
DIC and Social Security Affect SBP Payments
Ask for More Details

VII

18 **Servicemen's Group Life Insurance**

VIII

20 **Meet Your Veterans Administration**
Get Your VA File Number First
Disability Compensation
VA Compensation And Service Retired Pay
A VA Payment And a Service Payment
VA Compensation And Disability Severance Pay
It Pays In Other Ways To Be On the VA Rolls
VA Medical Benefits
Special Insurance For Disabled Veterans
Other VA Benefits
VA Benefits Continue to Survivors
VA Pensions (Wartime Service Required)
Requirements For Pension
VA Pension to Surviving Spouse and Children
Veterans' Burial Rights
Know Your Local VA Office

IX

31 **The Social Security Disability Program**

X

33 **Employment Assistance And Other Non-VA Benefits**
Re-employment Rights
Unemployment Compensation
Job-Finding Assistance
Affirmative Action in Employment
Employment In the Federal Government
Federal Employment Opportunities For Family Members
Vietnam Era Defined
Commissary And Exchange Privileges
Other Non-VA Benefits
Veterans Benefits From Your Home State
Records or Discharge Review

XI

37 **A Final Word**
Do Not Hesitate To Ask Questions!
Keep Records

DISABILITY SEPARATION

I

Some Are Retired; Others Are Discharged

Under present laws, a member of the armed forces on active duty who is found to be unfit to perform current duties because of disability incurred while entitled to receive basic pay may be retired if the disability is permanent or placed on the temporary disability retired list if the disability may be temporary. The disability must meet the following conditions:

- ❑ Was not the result of intentional misconduct or willful neglect and
- ❑ Was not incurred during a period of unauthorized absence.

In addition, the member with the disability must:

- ❑ Have at least 20 years of service creditable for retirement or
- ❑ Have a disability rating of 30 percent or more that is service connected.

If a member's disability was not the result of intentional misconduct or willful neglect and was not incurred during a period of unauthorized absence and if the member does not meet other requirements for disability retirement, he or she will be discharged with a lump-sum severance pay. If the member does not qualify for severance pay—for example, where the disability was not incurred in the line of duty—he or she is separated without benefits from a military service.

II

What's The Procedure?

You are in a military hospital being treated for a disability suffered while on duty *(receiving basic pay)* with one of the armed services or which became evident while on duty. The doctors treating you are seeing that you get the best medical treatment available. Meantime, what you want to know is: "Can I be returned to duty? Will I be retired or discharged because of my disability? What can I expect in the future if I am retired or discharged?"

Each service has its own procedure leading up to a final decision in each case. These procedures are very similar, and each is designed to gather all the important facts about each person's case. This detailed information is then forwarded to the office of the secretary of the department involved—Army, Navy, Air Force or Department of Transportation (Coast Guard)—for a final decision. Although by law, the secretary of the department involved is the one authorized to take these actions, this official cannot do so personally. Therefore, the secretary delegates this authority to boards and other personnel. Where the words "secretary of the department" or "secretary of service" are used in this pamphlet, persons designated to act for this position are implied.

Determination of whether any disability warrants a member's release from the armed forces is based on several factors. Each case is decided on its own merits.

Initial Steps

The initial medical determination in your case will be made by a medical board acting for the medical facility considering your medical condition relative to your retirement or separation. This board studies your medical condition and recommends referral of your case to a physical evaluation board for the hospital commander's consideration.

Start Now To Get a Feel For The Formalities

It is important that you understand the main elements of the disability separation process so that, when it is all over, you will know the basis for your service's decisions and actions and feel assured that they are fair to both it and you. Also, there are several points in the process at which you have the right of rebuttal.

Start thinking about these elements now and how each fits into the total disability separation process. In this way, you can avoid being suddenly confronted by unexpected decisions and having to make them "cold" without a feel for how each can ultimately affect your future.

You and The PEB

A physical evaluation board does just what its name suggests: It evaluates your physical condition. That is, it studies various medical and administrative reports about you to determine your physical qualifications relative to retirement, discharge or retention on active duty. It does not make final decisions, but passes recommendations along to higher authority.

The board is not a function of the medical department of your service. It is a function of the service as a whole. The board is, in fact, made up of a number of officers, only one of whom is a doctor. The others may be specialists in other military fields. When a hospital patient's case goes to the board, the hospital will normally continue to carry the person on its patient rolls, sometimes in a medical holding unit. Dur-

ing this period, the hospital may have only administrative custody the person.

What Does The PEB Recommend?

The physical evaluation board in each service is run according to t regulations of that service. A board may find an applicant fit a return him or her to duty or it may make findings that qualify t person for disability retirement or discharge with severance pay. making the latter determination, findings will include:

- ❑ That you are physically unfit to perform the duties of your offic grade, rank or rating.
- ❑ The percentage of your disability.
- ❑ That your disability is the result of performance of active duty was incurred in line of duty during a period of war or nationa emergency.
- ❑ That it was incurred while you were entitled to basic pay.
- ❑ That it was not due to your own intentional misconduct or willfu neglect and was not incurred during a period of unauthorized ab sence.
- ❑ That your disability either *is* or *may be* permanent.

What You Should Do

Before your case is actually considered by the physical evaluation board, a specifically designated member of the hospital staff will in form you about the physical evaluation board processing procedures for your service.

In all probability, your service uses the informal/formal physical evaluation board procedure. If it does, your case will first be considered by the board on the basis of your medical and administrative records alone. You will not be present at the hearing. You will then be furnished the findings and recommendations of this informal hearing.

You have the right to either accept (agree with) the recommendations of the physical evaluation board or to disagree with them. If you accept the recommendations at this stage, they will be sent up the line for review by a higher authority of your service.

If you disagree, you request a formal physical evaluation board hearing, at which you can be present. The hospital staff member who has been specifically designated to help you look after your own best interests during the processing of your case will advise and assist you in making this decision.

Enter Your Military Counsel

If you do request the formal physical evaluation board hearing, you may appear in person along with an appointed military counsel or you may choose to have the appointed military counsel represent you without your presence. You may secure civilian counsel to represent you but you would, of course, have to pay all charges for these services. (Sometimes, veterans organizations will assist or represent a person in these matters without charge.)

At the formal hearing, the appointed military counsel will assist you in presenting your case, unless specifically excused by you. The counsel will advise you concerning your rights, benefits, etc. Following the formal hearing, you will be furnished a copy of the proceedings, which will include the board's recommendations concerning your case.

Again, you have the right to accept or appeal the physical evaluation board findings and recommendations. Your military counsel will advise you in making this decision.

If you accept the physical evaluation board recommendations following the formal hearings, the case file will be sent up the line for review by the higher authority of your service.

If you reject the recommendations made as a result of the formal hearing, your appointed military counsel will advise you on avenues of appeal and may assist you in preparing a rebuttal.

Rebutting The PEB Findings

The copy of the physical evaluation board proceedings furnished to you following the formal hearing serves as the basis of your rebuttal if you do not agree with the board's recommendations.

The rebuttal is simply a written statement in which you say that in your own best interests you do not accept the board's recommendations. In the statement, you may tell why you disagree with the board's position, but you are not required by law to do this at this point in the process. You have a specified period of time in which to prepare and submit this statement.

Your appointed military counsel—who represented you before the physical evaluation board—or a designated hospital staff member will help you write this simple, straightforward letter explaining your opinion. Or, if you have sought the aid of a private counsel or one of the veterans organizations, that person will assist in drafting the most suitable statement.

This letter becomes a part of the record of your case and is included when the case is forwarded by the physical evaluation board up the line for review by the higher authority of your service.

The Physical Review Council

The findings and recommendations of the physical evaluation board (informal or formal), together with all records used in arriving at this position, go up the line to your service's physical review council. The physical review council—one for each service—reviews recommendations made in each case.

Members of the physical review council represent the various staff agencies of your service that have dealings with personnel retired or separated for disability. No patient ever appears in person before the council. Only records are reviewed.

What Might The PRC Do?

After studying all your records, the physical review council takes one of the following actions:

- ❑ Approves the physical evaluation board recommendation.
- ❑ Sends your records back to your physical evaluation board and asks that board to reconsider its original recommendations. (If the physical evaluation board changes its mind on any point, you have the right to submit another letter expressing your opinion on the new recommendations.)
- ❑ Disagrees with the physical evaluation board recommendations. (If this disagreement would lower the amounts payable to you or change your disposition—from unfit to fit, for example—you will be notified and you have the right of reply.)

When the PRC Disagrees With the PEB

If you are notified by the physical review council that it does not agree with the physical evaluation board findings and recommendations, get your assigned military counsel or a designated hospital staff member to help you determine whether this disagreement would lower the amounts payable to you or would change your disposition—from unfit to fit, for example.

If either is the case, you have a right to take certain actions.

If your case was considered only by an informal board, you can agree with the revised recommendations of the physical review council, submit a rebuttal to them or demand a physical evaluation board formal hearing. If you agree, your record is sent to the secretary of your department for final decision and action. If you submit a rebuttal, your record goes before a higher board (see below).

If you demand the physical evaluation board formal hearing, your file goes back to the board, and the formal hearing is held. You can agree or disagree with the findings, and you have the right to a rebuttal statement if you do not agree. The case is again sent up the line to the physical review council.

If your case was heard by a formal physical evaluation board before it was forwarded to the physical review council, you may submit a statement in rebuttal to the proposed recommendations of the council.

If you feel that the physical evaluation board findings were more to your advantage than those of the physical review council, you will want to furnish this statement of rebuttal. This action on your part places your case before another board. The Air Force and Army each calls its board the Physical Disability Appeal Board; the Navy and Marine Corps use one board called the Physical Disability Review Board. These boards are located in Washington, D.C.

The Physical Disability Appeal (Review) Board

This board for your service will review all of the proceedings, findings and recommendations of the physical evaluation board and the physical review council. It then resolves them into a recommendation of its own. This recommendation goes to your service's secretary for final decision* and follow-up on the disposition decided upon.

*(Note: Some special considerations exist for final review and decision in disability retirements of all medical officers and other officers in pay grades 0–7 and above. If applicable to you, be sure your disability advisor has current information on procedures to be followed.)

One Last Military Board

The decision of a service secretary, based on the findings of a physical disability appeal board or a physical disability review board, is the final decision (See "Note" above) in the disability retirement or separation process.

However, if the decision does not seem fair to you, there is another military board that may consider your case. This is your service's board for the correction of military records.

The assistance of this board can be sought before your separation from service is complete or following the separation if you disagree with the disability processing action taken in your case. However, since

this appeal is based on error or injustice, you must provide new or additional evidence in support of your application for a board hearing.

The board can also reconsider the percentage of disability granted. In some cases this percentage can determine whether you have been retired for disability or simply separated. Review the qualifying factors for disability retirement and separation earlier in this chapter.

A written request must be made to this board for a hearing. Evidence that an injustice may have been done must be strong, of course, before the board can agree to hear your case. For this reason, most persons wishing to appeal to this body seek the aid of one of the veterans organizations or of a private attorney to assure that their cases are properly prepared.

While You Wait for The Decision

While waiting for the final outcome on your disability consideration to be handed down from the secretary of your department, you may be held at the hospital where you received treatment, put on restricted duty status, put on "awaiting orders" status at your home (this time is charged against your accrued leave) or transferred to a VA hospital. Specifically what happens to you during this waiting period depends on the characteristics of your case and the regulations of your service.

When the secretary of your military department has made the decision, you will be advised in writing. You will then know whether you are to be retired or discharged. If you are being retired, you also will be advised whether it is temporary retirement or permanent retirement and what percentage has been set by your service for your disability. If you are to be discharged, you will be advised whether it is with or without severance pay.

III

DoD Guidelines: Physical Disability Separation

The laws that govern physical disability separation from a military service provide for the retirement or separation of a member who is determined to be unfit by reason of physical disability to perform the duties of present office, grade, rank or rating. When a member, at the time of separation, is fit to continue to perform the duties of this office, grade, rank or rating, he or she may not be retired for disability, but must be retired or separated under other laws.

Thus, with the two laws working properly, one conclusion must be drawn: If a member is fit to perform the duties of present office, grade, rank or rating, the member may not be retired or separated for physical disability; if unfit to perform such duties, the member may not be retained on active duty, unless retained by a department secretary as an exception to policy because experience or skill makes the member of special value to the service.

In all cases, the physical condition of the individual must be evaluated against the physical requirements of his or her particular office, grade, rank or rating. The fact that the person has one or more defects sufficient to require referral for evaluation or that he or she may be unfit in a different office, grade, rank or rating does not justify a determination of unfitness.

A determination of unfitness because of physical disability is a factual finding. It means that a member is unfit to perform the duties of present office, grade, rank or rating. When a member is referred for physical evaluation under circumstances other than acute, grave illness or injury, evaluations by his or her supervisors of performance of duty may provide better evidence than a clinical estimate by a physician.

If the evidence established that the member adequately performed the normal duties of present office, grade, rank or rating until the time referred for physical evaluation because of separation or retirement for reasons other than disability, he or she might be considered fit for duty even though medical evidence indicates physical ability to perform such duties may be questionable. Or, when a member is being processed for separation for reasons other than physical disability, continued performance of duty until separation creates a presumption that the member is fit for duty. Unless retained on limited duty status or unless physical defects raise substantial doubt of fitness to perform duties, this member should not be referred to a physical evaluation board.

In the case of a member who is scheduled for separation for other than disability purposes and is referred to an evaluation board, the presumption of fitness may be overcome if the evidence establishes either of two circumstances. The first is that the member was in fact physically unable to adequately perform the duties of office, grade, rank or rating even though he or she was improperly retained in that position for a period of time. Or, acute, grave illness or injury or other deterioration of physical condition that occurred immediately prior to, or coincidentally with, the member's separation for reasons other than physical disability has rendered the member unfit for further duty.

IV

Kinds Of Separations

Assuming that the secretary of your department decides that your physical disability disqualifies you for active military duty, you now are to be retired or discharged from the service. In releasing you from active duty, the secretary can choose one of two types of disability retirement—permanent or temporary, or one of two types of disability separation—separation with severance pay or separation without severance pay.

Disability Retirements

Let's examine the two types of retirement first.

If you are permanently retired for disability of 30 percent or more but are not yet eligible for non-disability retirement (on years of service or age), your service will pay you a sum between 30 and 75 percent of the basic pay of your grade for the rest of your life.

If you are eligible for non-disability retirement (qualify on years of service or age), your disability can be rated less than 30 percent and still qualify you for disability retirement.

If you are temporarily retired and put on the Temporary Disability Retired List, you will receive monthly payments of at least 50 percent of the basic pay of your retired grade, but no more than 75 percent, as long as you remain on the list but not to exceed five years.

Whether you are permanently or temporarily retired at this time, you can choose between two methods in the computation of your disability retired pay: one based on the percentage of disability and the other based on years of service. (See Computing Disability Retired Pay, page 12.)

Permanent Disability Retirement

If you are permanently retired by your service, this is a lifetime ruling. No further medical evaluation is required to assure you of a service disability rating of that percentage for as long as you live. You will receive disability retired pay from your service. Depending on what is most advantageous to you, you may take service retirement pay or disability compensation from the Veterans Administration or a combination of the two.

Temporary Disability Retired List

If the secretary of your department rules that you have a disability that may be permanent, but which cannot be definitely determined to be permanent at this time, and if you are otherwise qualified, you'll be placed on the Temporary Disability Retired List. There must be doubt as to whether your disability or a degree of disability is of a permanent nature or whether your condition indicates you might be acceptable for further service in five years' time or less, since your physical condition has not stabilized.

By law, you cannot be kept in the temporary disability retired status longer than five years. You must be given periodic medical examinations during that time as often as determined necessary, but at least once in every 18 months. You will receive orders to report to a medical treatment facility for each medical examination shortly before the examination is to be made. You may be required to pay for your meals while at the hospital for the re-examination. If so, you will be reimbursed the cost of the meals in addition to being reimbursed the cost of transportation to and from the hospital.

This medical examination is mandatory—as are all such examinations—while you are on the temporary disability retired list. Failure to report to a designated medical facility when ordered to do so can disqualify you from receiving retired pay and other service benefits. Also, you must advise your service of any change in your address while in a temporary retired status.

If you are a patient in a VA or civilian hospital at the time your examination is scheduled, you should notify the agency from which you receive the orders of the name and location of the hospital where you are a patient. Your service will then obtain a report of your condition from the hospital. This report will take the place of the required medical examination. Should the report of your condition be inadequate, the respective service will then issue you orders to appear for a physical examination.

If you have not kept your service informed of a current mailing address while you are on the temporary disability retired list or if you fail to report for a physical examination, your case may be heard on the record 60 days prior to the expiration of the five-year limit. If your service does not have a current address for you, obviously you might not know of this hearing. Also, the hearing would be without the benefits of current medical evidence. The board may assume that you have received the maximum benefits for rehabilitation during your tenure on the temporary disability retired list.

Following re-examination, doctors report their findings to your service, and your case goes before the same types of boards it did during your initial disability processing. In fact, every time you undergo a periodic re-examination while you are on the temporary disability retired list, your case is reprocessed for a disability determination. The only difference is that this procedure cannot continue for more than five years, the maximum period anyone can remain on the temporary disability retired list. When permanent disposition of your case is recommended during or at the end of the five-year period, you have rebuttal rights and a right to review by the full disability system. (Review pages 5–6.)

If one of the disability reprocessing actions should result in a "fit" decision from your service, you may refuse further assignment. If you do refuse further assignment, your name is removed permanently from your service's retired list. Of course, if you have 20 years of service, you may retire on length of service.

If you choose to return to active duty, you may be returned at the discretion of the secretary concerned in a status as nearly as possible equal to the one you held when you were placed on the temporary disability retired list.

While years of service on the temporary disability retired list count for basic pay computation, they are not creditable in establishing non-disability retirement eligibility. (Example: A person with 12 years' active service at time of being placed on the list—and who served four years on the list—would be considered as having 16 years for basic pay purposes, but only 12 years' creditable service for non-disability retirement purposes.)

If at the time you were placed on the temporary disability retired list you had also been eligible to retire for other than disability, you may,

when removed from the list as being physically fit, apply for retirement for length of service or age under the appropriate service provisions.

Separation With Severance Pay

If you have a disability of less than 30 percent, have less than 20 years of active service applicable to your case and are otherwise qualified, you will be separated from your service with disability severance pay.

Disability severance pay is computed on the basic pay of your current active duty grade or the highest active duty grade you held satisfactorily (as determined by your department's secretary). The formula is two months' basic pay of that grade for each year of service, not to exceed 12 years (any fractional part of six months or more is rounded up to the next year, while a fractional part of less than six months is disregarded). A maximum of 24 months' basic pay is payable.

For example, if your monthly basic pay in your highest grade is $1,500, and you have 10 years and eight months of creditable service, you'll get 22 months' pay, since the 10 years and eight months rounds up to 11 years. This multiplies out to $33,000. For persons who entered the armed forces on Sept. 25, 1975, or later, physical disability severance pay is tax-exempt only if the disability is the direct result of combat-related injuries caused by one of the following: armed conflict, extra-hazardous service, simulated war or an instrumentality of war. For persons in the armed forces on Sept. 24, 1975, or earlier, all physical disability severance pay is tax-exempt.

Discharge Without Severance Pay

If your disability makes you unfit for duty, but the secretary of your department decides it was caused by your own "intentional misconduct" or "willful neglect," the service will give you nothing. It will cause you to be discharged from your service. In addition, if you were disabled during a period of unauthorized absence, you are not eligible for disability severance pay. You also may be discharged without disability severance pay if the secretary decides your disability is due solely to a condition that existed before you entered the service and was not aggravated by your military duty.

Computing Disability Retirement Pay

If you are permanently or temporarily retired for disability, you will have a choice between two methods of computing your retired pay and may select the method most favorable to you. One method is based on percentage of disability and the other is based on years of creditable service. Basic to either method is the pay of the highest grade satisfactorily served (as determined by the secretary). It is advisable to compute your retired pay by both methods to assure that the one providing you the highest net income (after income taxes) is chosen.

Computation of retired pay can be complicated by the laws governing it, the various types of creditable service and other factors. Therefore, you should seek assistance from the member of the hospital staff designated to help you in estimating what your retired pay will be using each method.

The finance center of your service makes the official computation of your retired pay. Normally, they will automatically allow you the most favorable of the two computations unless you have specifically designated a less favorable method of computation. Here are your two choices:

1. Monthly basic pay multiplied by your number of years of service, multiplied by 2.5 percent (.025), up to 75 percent of basic pay. The result will be your monthly retired pay figured on the basis of length of service. Your exact years of service will be figured for you by the proper authority in your service. For your own calculations, however, it generally is the number of years of service, as follows:

- *Regular officers*—years of active service or the years credited for separation or mandatory elimination.
- *Regular enlisted members*—years of active military service.
- *Reserve officers and enlisted members*—years of service for which they would be entitled to credit in the computation of their retirement pay under Chapter 67, Title 10, U.S. Code.
- *Regular and Reserve officers eligible for voluntary retirement by having 20 years' active federal service, of which 10 are active commissioned service*—the number of years credited for basic pay purposes may be used instead of other computing methods. However, only partial credit is authorized for non-active duty years after June 1, 1958.

2. Monthly basic pay multiplied by your percentage of disability. The result will be your monthly retired pay figured on the basis of percentage of disability. Retired pay is limited to a maximum of 75 percent of basic pay. If your disability is higher and you choose this second method of computing your retired pay, you must multiply your basic pay by 75 percent.

Examples Let's assume that injury or illness had made you 40 percent disabled, that you have five years' service and that your monthly basic pay is $612. Here are your choices:

1. Years of Service Method		2. Percentage of Disability Method	
Basic Pay	$612	Basic Pay	$612
Years of Service	x 5	Disability Percentage	x .40
2.5 Percent	x .025	Monthly Percentage Pay	$245
Monthly Retired Pay	$ 76		

Best for you, obviously, is the retired pay computed on the basis of disability, since it is more than three times larger than the other.

Now, if you have been in the service 19 years and have reached a pay grade providing basic pay of $1,082 and have the same 40 percent disability, the results are quite different.

1. Years of Service Method		2. Percentage of Disability Method	
Basic Pay	$1,082	Basic Pay	$1,082
Years of Service	x 19	Disability Percentage	x .40
	x .025	Monthly Retired Pay	$ 433
Monthly Retired Pay	$ 514		

In this case, it would pay you to use the length of service method to compute your retired pay. In general, with long service and a disability considerably less than the 75 percent maximum, you will do better by choosing the length-of-service computing method. The percentage-of-disability choice usually is better if you have short service and a high percentage of disability.

Both pay options apply equally to permanently and temporarily retired members, except that members on the Temporary Disability Retired List never get less than half their basic pay.

Military and Government Disability Pensions

Generally, you must report disability pensions as income. But certain military and government disability pensions are not taxable.

Members of government services. Generally, you must report on your return any disability payments you receive for personal injuries or sickness resulting from active service in the armed forces of any country or in the National Oceanic and Atmospheric Administration, the Public Health Service or the Foreign Service, if you joined the organization after Sept. 24, 1975. However, if you receive a disability pension based on percentage of disability, you do not include the disability payments in your income if:

1) You were entitled to receive a disability payment before Sept. 25, 1975,
2) You were a member of a government service or its Reserve component or were under a binding written commitment to become a member, on Sept. 24, 1975,
3) You receive disability payments for a "combat-related injury" or
4) You would be entitled to receive disability compensation from the Veterans Administration if you filed an application for it.

"Combat-related injury" means personal injury or sickness that:

1) Directly results from armed conflict;
2) Takes place while you are engaged in extra-hazardous service;

3) Takes place under conditions simulating war, including training exercises such as maneuvers; or
4) Is caused by an instrumentality of war.

Disability based on years of service. If you receive a disability pension based on years of service, you generally must include it in your income. But if you fall into one of the four categories listed under *Members of government services*, do not include in income the part of your pension that you would have received if the pension had been based on percentage of disability. You must include the rest of your pension in income.

Government employee. You do not include in income disability payments you receive for injuries directly resulting from a violent attack that occurs while you are a U.S. government employee performing official duties outside the United States. For your disability payments to be tax exempt, the secretary of state must determine that the attack was a terrorist attack.

Disability benefits you receive from the Veterans Administration are not included in your gross income. If you are a military retiree and do not receive your disability benefits from the Veterans Administration, you do not include in your income an amount of disability benefits equal to the VA benefits to which you are entitled. If you give up part of your retired pay to receive a non-taxable VA benefit, you are considered to first give up the part of your military retired pay that is not included in your income because of percentage of disability before you give up your taxable retired pay.

If you are given a retroactive service-connected disability rating by the Veterans Administration, you do not include in income the part of your retirement pay received from the armed forces during the retroactive period that is equal to the amount you would have been entitled to receive from the VA because of the disability rating. However, you must include in income any lump-sum readjustment payment you received on release from active duty, even though you are later given a retroactive disability rating by the VA.

Two-Year Service Requirement Not Applicable

Under certain federal statutes, most persons entering active duty for the first time in 1980, 1981 and later are required to have at least two years of service to qualify for VA and most other federal benefits based on military service. If you are separated for disability or if service-connected disability is later established, provisions of these laws will not affect your entitlement to federal benefits.

VI

Survivor Benefit Plan

The Survivor Benefit Plan assures financial protection for survivors of retired uniformed service members. Each service counsels members about provisions of the plan prior to their eligibility for retired or retainer pay. This normally includes persons under consideration for disability retirement. So, if your possible disability retirement is a sudden development and particularly if it occurs before you would be eligible for non-disability retirement from your service, be sure that you get full information about the Survivor Benefit Plan from your retirement counselor or a hospital personnel officer.

Beneficiaries

The Survivor Benefit Plan provides an automatic survivor income to widows or widowers, dependent children and former spouses of retired members under a two-tier annuity program. An annuity up to 55 percent of retired pay is available in the first tier. The second tier pays a 35 percent annuity at the survivor's age 62. A person who has a spouse or dependent child at retirement is automatically enrolled in the plan. He or she may elect in writing not to participate in the plan or to participate at less than maximum level only with spousal consent.

A member may designate an amount less than full retired pay on which to base the Survivor Benefit Plan annuity. At least $318 must be designated as the "base amount," unless monthly retired pay is less than that amount. The amount designated by the member—that is, full retired pay for automatic participation or a lesser selected amount—is called the "base amount," up to 55 percent of which can be provided as a survivor annuity under the Survivor Benefit Plan.

Members with dependent children but no spouses at retirement also get automatic participation, which provides full protection for the children. The value of the child coverage—either in conjunction with coverage for a spouse or independently—is that children are thus guaranteed a survivor income even though no surviving spouse is eligible for Survivor Benefit Plan payments.

A member who does not have a spouse or dependent child at retirement still is eligible for the Survivor Benefit Plan. This member has two choices: (1) join in the plan upon retirement by naming an eligible person other than a spouse as an insurable-interest beneficiary or (2) begin participation after retirement if he or she acquires a spouse or child later. The member has one year after acquiring a spouse or child to elect this coverage in writing. Persons electing insurable-interest participation must use full retired pay as the base amount. An insurable-interest annuity, then, will always be 55 percent of this pay reduced by the amount deducted each month for plan participation.

A 1980 amendment to the Survivor Benefit Plan law makes it possible for certain disabled retirees to withdraw from the plan. When rated totally disabled by the VA on the day of retirement, a person may withdraw from the plan after such disability has persisted for five continuous years. When the VA total disability rating is received after retirement, the person may withdraw from the plan after such disability has persisted for 10 consecutive years. Withdrawal from the Survivor Benefit Plan is seen as an advantage for some disabled retirees when surviving spouses are potentially eligible for Dependency and

Indemnity Compensation payments from VA (see page 28) that would be larger than expected Survivor Benefit Plan benefits.

Cost

The federal government pays a substantial portion of the cost of the overall program. Therefore, the cost of this survivor protection to retirees is less than it would otherwise be.

The cost formula for maximum protection (55 percent annuity) for a surviving spouse is 2.5 percent of the first $318 of the base amount, plus 10 percent of the remainder of that amount. For example, a retiree whose retired pay is $450 per month would pay $21.15 a month for a survivor annuity of $247.50 per month.

The cost for protecting dependent children in addition to a spouse is based on actuarial tables averaging about .5 percent of the monthly Survivor Benefit Plan benefit. The cost of protection for dependent children only is based on the same type of tables and averages about 2.5 percent of the monthly Survivor Benefit Plan benefit.

Single retirees who elect to protect an eligible person under the insurable-interest provision pay somewhat more. That formula is 10 percent of full retired pay, plus an additional 5 percent for each full five years the beneficiary is younger than the retiree. Total monthly cost to a retiree cannot be more than 40 percent of retired pay.

A member pays for Survivor Benefit Plan protection only after retirement, when the appropriate amount is deducted monthly from retired pay before any tax withholding.

DIC and Social Security Affect SBP Payments

One provision important to persons retiring on disability is the "DIC integration." Dependency and indemnity compensation is paid by the Veterans Administration to a surviving spouse when an active duty member, retiree or other veteran dies of a service-connected illness or injury (see page 28). If the spouse is also entitled to a monthly Survivor Benefit Plan payment, that payment will be reduced by the monthly amount the spouse receives as dependency and indemnity compensation from VA.

However, if dependency and indemnity compensation is payable to a surviving spouse, any amount that has been deducted from the retiree's pay for the portion of the Survivor Benefit Plan payment that is not made will be refunded to the spouse.

For members who became eligible to retire before Oct. 1, 1985, Survivor Benefit Plan payments to surviving spouses may be integrated with Social Security payments due them if the amount of the integrated Survivor Benefit Plan annuity at age 62 is greater than the 35 percent Survivor Benefit Plan second-tier annuity. The beneficiary receives the higher annuity amount automatically. The integrated reduction is equal to the amount of the spouse's Social Security benefit that is based solely on the deceased retiree's federal service after 1956, except that the reduction can be no more than 40 percent of the Survivor Benefit Plan benefit. Survivor Benefit Plan payments to children are not affected by Social Security payments they receive. If a spouse receiving Survivor Benefit Plan payments has current earnings too high for Social Security benefits to actually be paid, the Survivor Benefit Plan integration is not exercised.

Your personal affairs officer or retirement counselor can advise you on this plan. This person can also give you full details available from *Survivor Benefit Plan* (DoD Pamphlet PA–11) or *Reserve Component Survivor Benefit Plan* (DoD Fact Sheet RC–1). The latter outlines Survivor Benefit Plan options available to inactive duty Reserve and National Guard personnel.

Ask for More Details

VII

Servicemen's Group Life Insurance

You are covered by Servicemen's Group Life Insurance for $50,000 unless you elected coverage of a lesser amount or declined the insurance. The Servicemen's Group Life Insurance program is supervised by the Veterans Administration.

Usually Servicemen's Group Life Insurance terminates at the end of the 120th day after a member's discharge or retirement from active duty, including being placed on the temporary disability retirement list. However, if at the time of separation a person is totally disabled for insurance purposes, the coverage may be extended beyond the 120 days. The extension is not automatic, but must be applied for. See address below. An extension can continue to the end of the total disability or the end of the last day of the first year following separation, whichever is earlier.

Within these deadlines, Servicemen's Group Life Insurance coverage up to the $50,000 maximum may be switched over to Veterans Group Life Insurance, a five-year, non-renewable term insurance program, without providing evidence of good health. In order to convert, you must submit an application on VA Form 29-8714 (Application for Veterans Group Life Insurance) with the required premium to the Office of Servicemen's Group Life Insurance, 213 Washington Street, Newark, N.J. 07102.

Veterans Group Life Insurance is limited to the five years immediately following separation from active duty. Prior to the expiration of this period, you may convert the Veterans Group Life Insurance coverage to a permanent-plan, commercial life insurance policy. This, too, can be done without a physical examination or other proof of health or physical condition. The Office of Servicemen's Group Life Insurance also handles this conversion. The names of companies that will convert Veterans Group Life Insurance will be furnished to you at the end of your five-year period, or this information may be obtained by a request to the above address.

If you have reduced your Servicemen's Group Life Insurance coverage, only the amount you retained can be converted to Veterans Group Life Insurance. There will be a similar limitation if you can but do not pick up the maximum amount in Veterans Group Life Insurance. Later you will be able to convert only an amount equivalent to your Veterans Group Life Insurance coverage to a permanent plan commercial policy without proof of good health.

These two opportunities to continue up to $50,000 in life insurance without physical examination or other proof of good health are particularly advantageous to persons being separated with physical disabilities. There are several advantages that should be borne in mind. First of all, Veterans Group Life Insurance rates are lower than those of term insurance otherwise available because of the large numbers of persons covered by the same contract. Thus, a person gets five years of exceedingly inexpensive insurance and, for those who are disabled, insurance that might not be available otherwise at any price.

Secondly, the individual life insurance policies written for those who convert Veterans Group Life Insurance to permanent plan commercial insurance must—by law—be made available at standard premium rates regardless of the individual's health or physical condition. Such poli-

cies must be the same in premium cost for those in poor health or poor physical condition as for those in good health and physical condition. Too, the commercial life insurance policies cannot contain war exclusion clauses. That is, the face value of the policies cannot be reduced because of military service or death occurring as a result of a war situation.

Prior to the Veterans Insurance Act of 1974, National Guard and Reserve members had only limited Servicemen's Group Life Insurance coverage. This protection was extended only during periods of active duty, active duty for training, inactive duty training and associated travel periods. The 1974 act automatically provides full Servicemen's Group Life Insurance coverage (now $50,000) for certain of these members—those in Ready Reserve. These are reservists and National Guard members who are assigned to Reserve positions and are scheduled to perform 12 or more sessions of inactive duty a year. This protection is the same as persons on extended active duty have—that is, full-time coverage while not performing military duty or travel as well as when such duty or travel is actually being performed.

Any reservist—a member of the Ready Reserves or other reservist—who suffers a disabling injury while performing active duty for training has the statutory right to participate in Veterans Group Life Insurance provided the application is made within 120 days after the termination of the orders assigning the individual to perform the period of active duty for training.

As a person who may be retired or separated for disability, you should see your personal affairs officer for further details about government-sponsored insurance available to you. Also see page 24 for information about another type of life insurance known as Service Disabled Veterans Insurance and also available through the VA. Toll-free telephone service for information on all VA-administered life insurance programs is available on 1-800-422-8079.

VIII

Meet Your Veterans Administration

Any separation from the armed forces under conditions other than dishonorable, following a period of active duty, makes a person a veteran in the full legal sense of the word, and thus possibly eligible for benefits administered by the Veterans Administration. A disabled veteran, for the most part, is eligible for a wider range of VA benefits than a non-disabled veteran.

As you probably will be discharged or retired with a physical disability—or else you wouldn't be reading this pamphlet—the VA can be especially important in your future and your family's future. Even if you are only temporarily retired, you should check with the VA to determine what benefits you are eligible for while on the temporary disability retirement list.

Before you are discharged or retired, you should know what the VA can and will do for you and how you can locate the VA office nearest to where you will live.

As you are being processed for separation, there will be numerous references made to VA benefits to which you may be entitled. You should be advised of the VA hospital nearest your home. When you are given counseling on VA benefits, you will be provided appropriate application forms for disability and/or education and advised of the type evidence required with your application. You should file for VA disability compensation at the time of separation, so that required medical records will be forwarded to the VA with your application. Use VA Form 21–526e (Veterans Application for Compensation or Pension). Ask for a copy of VA IS–1 Fact Sheet, *Federal Benefits for Veterans and Dependents.* Review it thoroughly and, if necessary, ask your retirement counselor about benefit provisions you don't understand. Arrange to make personal contact with a VA official before the end of your separation processing if possible.

VA installations have qualified benefits counselors on duty to give you further assistance on benefits matters. If you are unable to visit a VA installation because of your disability, a telephone call to the nearest VA office will serve to set up your initial VA contact. Most VA assistance offices maintain toll-free telephone lines to and from neighboring areas or have WATS lines, which are also toll-free to users. Check your local directory for a VA number under the "U.S. Government" listing.

VA Benefits All VA benefits (with the exception of insurance and certain medical benefits) payable to veterans or their dependents require that the particular period of service upon which entitlement is based be terminated under conditions other than dishonorable. Honorable discharges and general discharges under honorable conditions qualify the veteran as eligible for benefits. Dishonorable discharges are a bar to VA benefits. Conditions-other-than-honorable discharges and bad conduct discharges may or may not qualify, depending upon a special determination made by the VA and based on the facts of each case. This determination establishes for VA benefit purposes whether the person was separated from service under "dishonorable conditions" or "other than dishonorable conditions."

If your service awards you either severance pay or monthly retired pay, you are leaving active duty under conditions other than dishonorable. If this is not the case, you will want to refer to DoD Pamphlet PA–5F, *Once a Veteran,* for information regarding review of discharges.

Get Your VA File Number First

The first time you apply to the VA for any VA benefits, except insurance or hospitalization, you will be given a VA file number. This number will identify you in VA files just as your service number (or Social Security number) identifies you in the armed forces.

Your VA file number may be the same as your Social Security number, since for the past several years the VA has assigned this number as the VA file number.

Your VA file number will be used on all letters and forms about any claim you ever file with the VA.

When you find out what your VA file number is, write it down and keep it with your Social Security card and other important personal documents. Always use your VA file number whenever you write to the VA about any benefit except insurance. When you get in touch with the VA on that subject, you should use your insurance file number, which will be different from your VA file number.

Disability Compensation

The VA pays disability compensation to veterans who become disabled while serving in the armed forces or whose preservice ailments are made worse during such service. In fact, one of our nation's laws directs that no person shall be discharged or released from active duty on account of disability until, or unless, he has executed a claim for VA disability compensation or has signed a statement that he has had explained to him the right to file such a claim. So, if you are discharged or retired because of your disability, filing your VA claim will probably be a part of your service's separation procedure.

Often the same disability makes a veteran eligible for either (1) monthly retirement checks or a lump-sum severance payment from his or her military service and (2) monthly VA disability compensation. However, the law provides that you cannot collect the whole amount of service retired pay and VA disability compensation at the same time.

You are strongly urged to apply for VA disability compensation before leaving the hospital, so that your service medical records can be sent directly to the VA. One fact to keep in mind is that the percentage of your disability as determined by the service is not binding upon the VA. The VA may conduct its own examination and will make its own decision as to the percentage of your disability based on reduced earning capacity.

Your VA contact at the hospital can provide a current chart of VA disability compensation payments, or this information is available from any VA office. It is also provided in the VA IS–1 Fact Sheet and other VA materials.

VA Compensation And Service Retired Pay

The question at hand is the VA's rating of your disability as it pertains to your military disability retired pay. To illustrate, let's again refer to the two service members used earlier as examples in computing military disability retired pay. Both had 40 percent disabilities. The first had five years of service. The other had 19 years of service. The first could get $278 a month service disability pay, and the second could get $514 a month. In the case of the latter, only $433 is tax-free.

Assuming the VA also arrived at a 40 percent disability rating, the VA disability compensation would be $232 a month for either veteran. In both cases, the service retired pay is higher. However, when veterans

get VA disability ratings of 30 percent or higher, additional compensation is payable for dependents. When there are several dependents, the total payment can often bring the VA compensation above service disability retired pay.

For this and other reasons it is always wise to file a VA claim. The additional VA compensation for loss of limbs or other severe disabilities could be payable in addition to the basic disability compensation. This also can result in the total VA payment being more than the service pay.

A VA Payment And a Service Payment

Even if the VA compensation is not more than the retired pay to which you are entitled, you still should apply for the VA compensation, as it is exempt from income tax. If you are entitled to both retired pay and VA compensation for the same disability, you will in certain cases want to choose a combination of both. If you do this, you give up part of your service retired pay in exchange for a tax-free VA compensation of the same amount. Making this choice once does not prevent you from changing your mind and making another choice later.

This decision is frequently advantageous to those persons whose disability retired pay is computed on length-of-service. In these cases, only a portion of the monthly payment received from a service is in fact "disability compensation" and, therefore, tax exempt. If the VA compensation amount is larger, it would be to the person's advantage to waive that amount of service pay and receive instead the VA payment.

If you elect to get both service pay and VA compensation, you will get one check each month for the VA compensation and one check each month from your service. The total of the two will equal the full amount you could have received from your service as disability retired pay. In no case can a person get more than the total of whichever payment is larger, the VA compensation or the Service retired pay.

VA Compensation And Disability Severance Pay

If you are being discharged with severance pay rather than being retired for disability by your service, it is equally important that you consult a VA representative and file a VA claim before you are discharged or as soon as possible thereafter.

First of all, the VA makes its separate evaluation of your case and establishes a disability rating that may be different from that allowed by your service. It is greatly to your advantage to have your medical records provided to the VA by the service hospital that is processing your case because all pertinent data becomes immediately available. The VA may use this alone or as a basis for requesting additional physical examinations.

Secondly, your severance pay must be "recouped" on paper between the two federal agencies involved before VA payments can begin. The record of this account settlement can begin immediately after the VA's decision as to your percentage of disability and entitlement to VA compensation. Nonetheless, several years can pass before cash VA benefits are payable. Take the severance pay example on page 11. Should disability ratings this member gets from his or her service and the VA be consistent with one another (both less than 30 percent) and the member prove eligible for, say, $200 a month in VA benefits, cash payments from the VA could not start for almost 14 years ($200 per month for 165

months totals $33,000) even though the VA claim had been filed earlier during separation processing.

If the VA rating proves higher than the service rating and the member is entitled to, say, $300 a month in VA benefits, cash payments could start in about nine years (110 months). In either case, getting your VA "pay back" account started at the time of separation assures that any future benefits can be paid without delay. The VA can pay or recoup retroactive benefits for no longer than one year prior to a claim. So, when one waits more than a year after separation to file a claim, some VA benefits will be lost.

It should be noted that if the VA rates disabilities for which no severance pay has been given, as well as disabilities for which severance pay has been granted, only that amount payable for "severance" disabilities will be recouped—the remainder may be paid, if otherwise in order.

It Pays In Other Ways To Be On the VA Rolls

Here are some of the advantages you get when you elect to receive VA compensation—either by itself or in combination with service disability retired pay.

- ❑ VA disability compensation is not subject to federal or state income taxes.
- ❑ Many states give special privileges, including tax exemptions and various other benefits, to veterans on the VA disability rolls.
- ❑ Filing your application for VA compensation may speed up action on other claims that you file with the VA later. Your disability and veteran status already will be known to the VA and will not have to be proven again.
- ❑ The VA may find that you have another disability for which it can compensate you in addition to the one for which you may be getting disability retirement pay.
- ❑ If your service-connected disability gets worse as the years go by, you can apply to the VA for another examination to show that your percentage of disability is greater than it was at first. Your VA compensation can be increased in this way, but service retirement pay cannot. (The opposite also is true. If an examination shows your disability is less severe, your VA compensation can be reduced.)
- ❑ The VA does not always set up an examination on the mere allegation of increasing severity of a disability. Often the basis of worsening of the condition must be established by other evidence.

VA Medical Benefits

As a disabled person, you never know when you will need medical care in a hurry. The best way to prove in advance that you are eligible for care in VA facilities (hospitals, outpatient and dental) is to file a claim and establish that you are entitled to VA disability compensation. When your entitlement for this compensation has been established, you don't have to prove suddenly that your disability is service-connected—the VA already knows it is. This can speed the process of obtaining VA medical care.

A determination that your disability is service-connected also establishes your eligibility for treatment in VA facilities and for certain other VA benefits. Also, if you do receive a disability determination

from the VA, you are eligible for treatment of illnesses or injuries that are not service-connected at VA facilities on a space-available basis.

If you are retired for a disability, you can enter a service hospital, provided its commander finds that there are adequate facilities for taking care of you. However, there are many more VA hospitals than service hospitals in the United States, and one of them probably will be closer to your home than a service hospital. So eligibility for VA hospitalization could be a decided advantage.

Medical care provided by the VA for service-incurred disabilities include:

- ❑ **Hospitalization;**
- ❑ **Prosthetic appliances;**
- ❑ **Outpatient care;**
- ❑ **Dental care** for service-connected dental defects or dental conditions associated with a service-connected disability.

Special Insurance For Disabled Veterans

Two insurance programs—one life insurance and the other mortgage insurance—are made available by the VA to disabled veterans. So that you understand these special insurance opportunities, consult your local service insurance officer or VA benefits counselor for advice and assistance in insurance matters or call 1-800-422-8079 toll free. Residents of the Washington, D.C., metropolitan area should call 872-1151.

1. **Service-Disabled Veterans Insurance.** This is provided by the VA to persons who have disabilities the VA determines to be service-connected, regardless of the degree of disability. Policies are available in amounts from $1,000 to $10,000 in multiples of $500.

As its title indicates, this insurance is not available to a person on active duty. It is only for a discharged or retired person whom the VA determines to have a service-connected disability. The veteran applying for this insurance must be in good health except for the service-connected disability. It must be applied for within one year of the date the VA notifies you of the determination. Therefore, you might give serious consideration to obtaining Service-Disabled Veterans Insurance after discharge or retirement for physical disability. If your disability is not too severe, you may want to comparison shop with commercial companies.

2. **Veterans Mortgage Life Insurance.** This program of group mortgage life insurance has been established for those veterans who have been or will be granted a specially adapted housing grant by the Veterans Administration.

Up to $40,000 coverage may be provided up to the veteran's 70th birthday. Details on this program can be obtained from any VA office.

Other VA Benefits

There are a number of other VA benefits to which you may be entitled, depending on the circumstances of your case. Here is a brief rundown on them:

- ❑ **Domiciliary care,** if your disability prevents you from earning a living and if you meet other eligibility requirements.

- **Nursing home care** and related medical care in VA or private nursing homes.
- **Drug treatment** at a specialized VA drug-dependence treatment facility.
- **Prosthetic appliances** needed for either service-connected or non-service-connected disabilities. There are certain qualifying conditions, but you will be advised of these during hospitalization or separation counseling if this equipment is needed at the time of your separation. If it should be needed later, any VA office can provide details.
- **Certain home improvements** or structural alterations needed for home management of some disabilities. This benefit is part of the VA's outpatient medical care benefit.
- **Assistance with home, condominium and mobile home loans.** For nearly 40 years, the VA has operated a program offering service members and veterans assistance in obtaining home loans. A VA-guaranteed loan may be secured to buy a home, a unit in a condominium or a mobile home or to help reach a variety of other goals connected with owning and maintaining a home.

  Full details of this VA program are available from local VA offices.
- **Educational assistance.** There are several educational assistance programs available for persons leaving the military service; the VA non-contributory GI Bill, the post-Vietnam Veterans Educational Assistance Program and the New GI Bill. Veterans who were in actual service before Jan. 1, 1977, have 10 years after their last separation from active duty or until Dec. 31, 1989, whichever is earlier, to complete training. Persons with service on or after Jan. 1, 1977, and before July 1, 1985, are eligible to participate in Veterans Educational Assistance Program. This program calls for voluntary contributions to a fund by service members, while on active duty. In 1984 the New GI Bill (Montgomery GI Bill) was established for individuals entering service on or after July 1, 1985. Certain service members eligible for the non-contributory GI Bill are also eligible for the new program. An educational entitlement program is also available for members of the Selected Reserve. Full details may be obtained from any VA office.

  The VA's vocational rehabilitation program, discussed on the next page, is especially designed to help persons leaving service with service-connected disabilities obtain the vocational training they need in view of the disabilities.
- **Guarantee of premiums on commercial life insurance.** The VA will continue to guarantee premiums on commercial life insurance policies not exceeding $10,000 for two years after a veteran leaves active service. Repayment must be made at that time, but this benefit may be particularly helpful to a disabled veteran.
- **A grant for specially adapted housing.** The VA may assist certain veterans in obtaining specially adapted housing with a grant not to exceed $35,500. Veterans who qualify for this grant include those with 100 percent permanent and total service-connected disabilities:

(1) due to loss or loss of use of both lower extremities, precluding locomotion without the aid of braces, crutches, canes or a wheelchair; or

(2) which includes blindness in both eyes, having only light perception and loss or loss of use of one lower extremity; or

(3) due to the loss or loss of use of one lower extremity together with residuals of organic disease or injury, which so affects the functions of balance or propulsion as to preclude locomotion without the aid of braces, crutches, canes or a wheelchair; or

(4) due to loss or loss of use of one lower extremity together with loss or loss of use of one upper extremity which affects the functions of balance or propulsion to preclude locomotion without the aid of braces, crutches, canes or a wheelchair;

The assistance authorized by law is limited to one housing unit and land therefor. Grants are also subject to a finding that is medically feasible for the veteran to live in the dwelling and locality.

- **Assistance toward the purchase of a specially fitted automobile.** If you have certain service-connected permanent and total disabilities, you may also be eligible for a one-time grant toward the purchase of an automobile or other conveyance. Requirements are: loss, or permanent loss of use, of one or both feet or one or both hands or permanent impairment of vision of both eyes to a specified degree. The current maximum for this grant may be obtained from a VA office. This benefit includes also an additional allowance to cover the cost of necessary adaptive equipment in the automobile and repair, reinstallation, and replacement of such equipment. The equipment allowance is not a one-time benefit, but can be claimed whenever a car is purchased and must be fitted.
- **Vocational rehabilitation.** This is a training program designed to enable disabled veterans to prepare for, find and hold suitable jobs.

If you are entitled to VA disability compensation (or would be entitled but for the receipt of retired pay), you may apply for the VA's vocational rehabilitation program. This program is now designed to provide for all services and assistance necessary to enable eligible service-disabled veterans to achieve maximum independence in daily living and, to the maximum extent possible, enable these veterans to become employable, obtain suitable employment and retain such employment.

Through individualized counseling, each veteran is aided in selecting suitable objectives and in planning a program of rehabilitation. Up to 48 months or more of benefits may be authorized for college and university, vocational school, apprentice and on-the-job training, as well as for special rehabilitation independent living training. The VA pays the cost of tuition, books, supplies and equipment needed for training. In those cases in which a vocational goal is not feasible for the veteran, services needed to improve the veterans' capability for independent living in the community will be furnished.

Throughout the course of training, the veteran receives a subsistence allowance in addition to disability compensation due.

Each veteran who participates in a vocational rehabilitation program is eligible for up to 18 months of employment services. Employ-

ment services are furnished to help a veteran secure and maintain employment in the field for which training has been provided or in a related field.

The basic period of eligibility is 12 years following separation. For those who are severely disabled, services may be provided beyond this period. A veteran is entitled to rehabilitation if he or she has a compensable service-connected disability incurred during or after World War II and is determined to be in need of rehabilitation because of an employment handicap.

Ask your VA contact at the hospital or a counselor at the nearest VA office for full details about this VA program and how it may apply to you.

- **Clothing allowance.** Any veteran who is entitled to receive compensation for a service-connected disability for which he or she wears or uses one or more prosthetic or orthopedic appliances, including a wheelchair, that the VA determines tends to wear out or tear clothing is entitled to a special VA clothing allowance.
- **Educational assistance for spouses and children.** For veterans suffering permanent, 100 percent, service-connected disabilities (as determined by VA) there is a benefit through which their children (if between ages 18 and 26 when the veteran receives 100 percent disability determination) and spouses may receive education assistance. This benefit takes the form of counseling and monthly payments for each month spent in full-time school. These same benefits are available to children and surviving spouses of veterans who died of service-connected causes. See page 25 for more about the GI Bill program. Current monthly rates may be obtained from any VA regional office.
- **Supplemental payments to dependents.** Remember also that if your VA disability rating is 30 percent or higher and you take the VA compensation payment, the total monthly payment is increased when you have a spouse and/or dependent children.

VA Benefits Continue To Survivors

If you die of a service-connected disability, your survivors can look to VA for some varied and very substantial benefits. Also, survivors of a veteran who was totally service-connected disabled at the time of death but whose death was not the result of the disability can also receive benefits if the veteran was totally disabled for five years immediately after separation from military service or, if totally disabled later, 10 years. Among these are: surviving spouses' benefits including monthly dependency and indemnity compensation; educational assistance (see above); VA home loan assistance (see page 25); the 10-point veterans preference in federal employment; and entitlement to burial in a national cemetery where you are buried.

VA-Sponsored Medical Care for Dependents and Survivors The VA is authorized to provide medical care for dependents and survivors of certain veterans either suffering from total, service-connected disability, dying while so disabled or dying from service-connected causes when these dependents and survivors are not eligible for care under CHAMPUS or Medicare.

Normally, this care will be provided in non-VA facilities under the CHAMPVA program. VA facilities, however, may be utilized for specialized treatment when (1) they are uniquely equipped to provide the most effective care and (2) such use does not interfere with the care and treatment of veterans.

More information about the CHAMPVA program may be obtained from any VA medical facility.

Surviving spouses with unmarried children under 18 receive additional dependency and indemnity compensation amounts as long as the child is under 18. Separate benefits are payable to a child's fiduciary up to age 23 if in a VA-approved school or as long as a child who became permanently incapable of self-support before reaching age 18 remains so and unmarried. Spouses qualified for dependency and indemnity compensation may be granted a special VA allowance for aid and attendance if they are patients in a nursing home, helpless or blind, or so nearly helpless or blind as to require the regular aid and attendance of another person. This allowance is added to the basic dependency and indemnity compensation rate.

Dependency and indemnity compensation benefits paid to spouses are based on the former pay grade of the deceased veteran. Current amounts may be obtained from VA IS–1 Fact Sheet or any VA office.

- ❑ Benefits for children include dependency and indemnity compensation payments of prescribed amounts when no surviving spouse is eligible. Or they can get benefits in the same amounts when a surviving spouse remarries or dies. This benefit is for unmarried children under age 18 or, if in a VA-approved school, age 23. If a child became permanently incapable of self-support because of a mental or physical defect before reaching age 18, the benefit may continue indefinitely as long as the child remains incapable of self-support and unmarried. The education assistance allowance under the GI Bill is also available to children between ages 18 and 26. Marriage of a child does not interfere with the receipt of monthly education benefit payments. Eligibility for these two VA benefits may overlap in some cases, but only one of the two can be received at any one time. Therefore, in these cases, the child may choose the benefit most advantageous for all or part of the time between ages 18 and 23.
- ❑ Parents, in certain cases, may be eligible for dependency and indemnity compensation. Income is a basic qualifying factor in parents' dependency and indemnity compensation. If eligible for this benefit, one or both may also be eligible for the special VA allowance for aid and attendance.

VA Pensions (Wartime Service Required) VA payments to veterans for service-connected disabilities are called compensation. Conversely, VA pensions are paid to wartime veterans who have non-service-connected disabilities rated permanent and total and have limited incomes.

The disability requirement is waived for veterans age 65 and older.

Monthly rates of the VA pension are based on countable income and take the number of dependents into consideration. Higher amounts may be payable when the veteran is housebound or in need of regular aid and attendance of another person. Pension payments are now increased as the consumer price index goes up.

The size of the annual income from other sources determines the amount of VA pension. There are many possible combinations of the rules on income. VA officials will judge each case on its merits, giving consideration to the size of the veteran's estate, the amount of income, the number of dependents, state of health and age.

Requirements For Pension

To qualify for the VA pension, you must have 90 days or more of honorable active wartime service in the armed forces or, if less than 90 days, have been released or discharged from active service because of a service-connected disability and be permanently and totally disabled for reasons not necessarily due to service. Veterans with initial service on or after May 8, 1975, do not qualify for the VA pension.

VA Pension To Surviving Spouse and Children

Surviving spouses and unmarried children under 18 (age 23 if attending a VA-approved school) of wartime veterans may be eligible for the VA pension if they meet certain income and net worth conditions. A child who became permanently incapable of self-support because of mental or physical defects before reaching age 18 may receive the pension as long as the condition exists or until he or she marries. The pension cannot be paid to survivors of veterans whose only service begins on or after May 8, 1975.

Veterans' Burial Rights

Any person who served on active duty in the armed forces of the United States and who was discharged or released under conditions other than dishonorable may be buried in any national cemetery having available grave space, except Arlington National Cemetery. Burial there is limited to specific categories of military personnel. In 1980, a large columbarium for cremated remains opened at Arlington Cemetery. Honorably discharged veterans, their spouses and dependent children may be buried in this extension of the cemetery. Full information can be obtained from the cemetery [telephone (202) 695–3250 or 3255].

A national flag may also be obtained to drape the veteran's casket, and a headstone or grave marker can be provided. In a national cemetery, a headstone or marker is automatically provided and erected without charge. If application is made by survivors, the headstone can be provided or a VA payment can be made toward purchase of the headstone for a veteran's grave in a private cemetery.

VA burial assistance benefits and plot-interment allowances are paid under certain conditions. A burial expense allowance may be paid by the VA if, at the time of death, the veteran is receiving or is entitled to receive VA disability compensation or pension or if the veteran dies in a VA facility. When burial is not in a national cemetery, a plot-interment allowance may also be payable. Full details may be obtained from any VA office.

Know Your Local VA Office

Since VA benefits are so varied for yourself and family members and because they can change over a period of years, it is easy to see how important it is that you as a veteran maintain regular contact with the Veterans Administration. Your local VA office can advise you about new benefits and counsel you on your eligibility or the eligibility of a family member for any of the many benefits provided by law. When you are out of the hospital and separated from active service, make contact with a VA office. Undoubtedly you or a family member will seek the advice of the trained personnel there many times during the years ahead.

Your nearest VA regional office can be particularly helpful to you since these centers are one-stop service points for information on the total range of veterans services and benefits. Veterans benefits counselors are as near as your telephone. Toll-free numbers are listed in your local telephone directory under "United States Government-Veterans Administration," or you can call your directory assistance operator. Other sources of information are veterans service organizations and state and local offices of veterans affairs.

IX

The Social Security Disability Program

For more than 25 years, members of the armed forces on active duty have been covered by Social Security on a contributory basis, in the same way as workers in the private sector are covered. There are various benefits available to you and certain of your dependents. One pertains to disabled persons.

If you become seriously disabled before age 65 and have sufficient Social Security coverage, there's a chance that you'll qualify for disability insurance payments. These payments would be in addition to any disability payments you might already be receiving from other federal sources. You may qualify to receive Social Security disability benefits while you still are on active duty, so you should apply at the earliest possible time.

In addition, certain members of your family may also qualify for payments because of your disability.

The Social Security definition of disability is different from those used by other government agencies. So even though you may be receiving payments for "total disability" from VA or your service, that in itself is no guarantee that you'll receive disability payments under Social Security.

When you contact a local Social Security office about filing a claim, program experts there will discuss Social Security disability eligibility and the amount of Social Security coverage required for a person your age. On the basis of counseling received, you can decide whether a claim is appropriate. If there is any chance you may qualify under the Social Security disability criteria, you may want to file a claim.

You may visit a local Social Security office to learn about the disability program and file your claim, or if you can't get to this office because of your medical condition, a Social Security representative will come to you. The retirement advisor at your hospital will help you contact a Social Security office. Every disability applicant is responsible for furnishing medical evidence in support of a claim. This includes reports from the hospital or clinic where you are receiving treatment or have been treated. The determination as to whether or not you qualify also takes into consideration your age, education, training and work experience. You have the right to appeal if your claim is turned down.

Social Security disability benefits begin after a "waiting period" of five full calender months. (Usually this will be in addition to the month in which you become disabled.) The amount of your monthly disability benefit will be computed as your claim is processed. Because Social Security computation methods change as the law itself is amended by Congress, it is virtually impossible to make accurate estimates of what Social Security benefits will be. All Social Security benefits are based primarily on past coverage earnings of a worker or a former service member. These earnings are averaged out over a given period derived from a person's date of birth and, in the case of a disabled person, the date disability begins. Except in cases of very early death or disability, the longer one has paid into the Social Security system and the more of those years maximum withholdings were made, the higher one's benefits will be. In any case, if you qualify for Social Security disability benefits, you should be able to count on them as a substantial addition to your disability income from other sources.

When you are receiving Social Security disability payments, benefits also may be paid to certain of your dependents, as follows:

- ❑ Unmarried dependent children;
- ❑ A wife, regardless of age, who is caring for a child (or children) eligible for payments on your Social Security record;
- ❑ A spouse 62 or older, when no child (or children) is eligible for payments.

To encourage rehabilitation and re-employment, the Social Security law provides for a trial work period. How benefits are handled during this period will be explained at your local Social Security office.

Social Security disability benefits continue as long as your disability continues, up to age 65. At that time, benefits continue unchanged except that they are paid through Social Security's retirement benefits program. These continue for life. As is true when you get disability benefits, your eligible dependents receive benefits while you get retirement benefits.

After a person has received Social Security disability benefits for two consecutive years, he or she is eligible to participate in Medicare, regardless of age. Discuss the Social Security program when you visit the local office, and get the facts you may need in a couple of years. Also, if you or a dependent suffers from a permanent kidney failure, ask about the special rules for dialysis or kidney transplant.

Should you die of your disability or any other cause, your eligible survivors will continue to get monthly Social Security payments. At age 60, a surviving spouse can get Social Security benefits whether or not children can get them. These continue for the life of the spouse unless she or he remarries.

Employment Assistance And Other Non-VA Benefits

If you plan to work after your disability retirement or separation, you will need facts about your right to return to a job you held before you entered active military service. For private employment and state or local government employment, contact the veterans representative at the nearest office of your state's employment service agency. For federal employment, any federal job information center can give you full information. Look under "U.S. Government" in your telephone directory for addresses and phone numbers of these sources located near where you want to work.

Re-employment Rights

In general you must have left a full- or part-time job to enter military service and must not have served more than four years. In certain cases, re-employment rights can still be exercised after five years of service, but at least one year of that time must have been at the convenience of the government. Your separation must be honorable or under honorable conditions. Veterans reclaiming previous jobs must be qualified to perform the duties of the prior job. However, if a veteran is disabled while in military service, he or she can be placed in some other job in the employer's organization of comparable seniority, status and pay.

Thus, when you exercise re-employment rights, you gain the position it is assumed you would have attained with your employer had you not been absent, including full seniority, status, pay and other employment benefits falling due after re-employment because of the accrued seniority. To exercise re-employment rights, you must apply to your preservice employer within 90 days after separation from active duty or after release from hospitalization of not more than one year directly after separation. Most reservists and National Guard members returning from initial active duty for training of three consecutive months or more have 31 days to apply for re-employment.

Unemployment Compensation

The purpose of unemployment compensation for veterans is to provide a weekly income for a limited period of time to help veterans meet basic needs while searching for employment. The amounts and duration of payments are governed by state laws.

Even persons who are separated or retired for disability must be able to perform, available for, and actively seeking, suitable employment to qualify for unemployment compensation. However, income from pensions, annuities or retired pay (with the exception of VA compensation) will have some reducing effect on unemployment insurance benefits payable, depending on the state unemployment insurance law under which your claim is payable.

You can apply for unemployment compensation at the nearest local state employment service office. Present Copy 4 of your DD Form 214, "Certificate of Release or Discharge from Active Duty," to establish type of separation. Release under conditions other than dishonorable is required.

Job-finding Assistance

The U.S. Department of Labor is the federal agency responsible for providing employment assistance to veterans through state employment service local offices throughout the country. The local veterans employment representatives assure that job counseling, testing and

employment placement services are provided. Preferential treatment in priority referral to job openings and training programs is given to disabled veterans. In addition, the VA assists veterans who are seeking employment by providing information about job marts, on-the-job and apprenticeship training opportunities, etc., through VA regional offices and U.S. veterans assistance centers. Under a 1977 tax law, employers gained some special tax incentives for hiring disabled persons, including disabled veterans.

Affirmative Action in Employment

The Vietnam Era Veterans Readjustment Assistance Act of 1974 prohibits employers with federal contracts or subcontracts of $10,000 or more from discriminating in employment against Vietnam-era and all disabled veterans. It also requires these employers to take positive steps to employ and advance these veterans.

Disabled veterans who have VA-rated disabilities of 30 percent or more or whose discharge or release from active duty resulted from a disability incurred or aggravated in the line of duty are covered throughout their working lives by this affirmative action provision. All other Vietnam-era veterans are covered for 48 months following discharge.

Complaints related to this law may be filed with the Labor Department's Veterans' Employment Service through the local veterans' employment representative at the local state employment service office or directly with the Labor Department through one of its regional offices.

Employment In the Federal Government

As a result of the Vietnam Era Veterans Readjustment Assistance Act of 1974 and amendments to it, the United States has a policy of promoting maximum job opportunities within the federal government for qualified disabled veterans, including those of the Vietnam era.

Under the law, all federal agencies are required to establish affirmative action plans to facilitate employment and advancement of disabled veterans and other handicapped persons.

A veteran may be eligible to receive helpful advantages in federal employment, such as additional points added to passing scores in job examinations, waivers of certain physical requirements, first consideration for certain jobs and preference for retention in layoffs.

A disabled Vietnam-era veteran is eligible for special non-competitive appointments under the veterans readjustment appointment authority.

More specific information about these employment advantages and other federal job information may be obtained from any federal job information center. The centers are listed in telephone book white pages under "United States Government, Office of Personnel Management," (formerly U.S. Civil Service Commission). Any VA facility can also give you the location of the most convenient job information center.

Federal Employment Opportunities For Family Members

Employment advantages similar to those given a disabled veteran are also provided for (1) spouses of service-connected disabled veterans who are no longer able to work in their usual occupations, (2) mothers of permanently and totally service-connected disabled veterans and (3) unmarried surviving spouses and mothers of veterans who died of service-connected injuries or illness.

Vietnam Era Defined

The Vietnam wartime period ended as of May 7, 1975. Persons whose only service is after that date are not eligible for a Vietnam-Era veterans readjustment appointment or other employment programs directed especially to Vietnam veterans.

Commissary And Exchange Privileges

Honorably discharged veterans with a service-connected disability rated at 100 percent, their eligible dependents and unmarried surviving spouses are entitled to unlimited exchange and commissary store privileges in the United States. Entitlement to these privileges overseas is governed by international law, and privileges are available only to the extent agreed upon by the foreign governments concerned. The certification of total disability is obtained from the VA. Assistance in completing DD Form 1172, "Application for Uniformed Services Identification and Privilege Card,' will be provided during disability separation or, if not then, can be secured at the VA regional office making a 100 percent disability determination later.

Other Non-VA Benefits

A number of federal agencies offer disabled and other veterans special programs or certain advantageous treatment. Among these are:

- **Farmers Home Administration**, U.S. Department of Agriculture—gives veterans priority processing of applications for loans to buy or repair houses in rural countryside and small towns. The agency also provides credit and management advice for buying, improving or operating farms and can make business and industrial development loans in the open countryside and towns of up to 50,000 people.

- **Immigration and Naturalization Service**, U.S. Department of Justice—administers naturalization laws under which aliens with service in the U.S. armed forces during periods in which the United States was engaged in conflicts or hostilities may exercise certain naturalization advantages.

- **Small Business Administration**—administers a number of programs designed to help foster and encourage small business enterprise, including businesses owned or operated by disabled and other veterans. Regional offices are located in major cities. Information may be obtained from one of these offices or by writing to Small Business Administration headquarters at 1441 L St. NW, Washington, DC 20416.

- **Federal Housing Administration**—administers a home mortgage insurance program open to any veteran. An eligible person may use both the VA home loan program and the FHA program. Obtaining a certificate of veteran status from a VA office means that veterans can make a smaller downpayment than others using the program.

Details concerning these and other Federal programs may be found in VA Fact Sheet IS–1, *Federal Benefits for Veterans and Dependents.*

Veterans Benefits From Your Home State

Contact the veterans benefits office at your state capital and ask what special advantages your state accords veterans. These can include such things as special educational assistance for you or your family, tax

exemptions, a cash bonus or certain veterans loan entitlements. Some programs are more favorable to disabled veterans than to other veterans.

Records or Discharge Review

If during separation processing you learn that certain aspects of your military service make it impossible for your service to separate you for disability even though certain medical evidence is apparent, you will want to know your rights concerning review and possible correction of your military records or review and possible upgrading of your discharge. Full details on these procedures and how they can affect VA and other federal benefits are contained in DoD Pamphlet PA–5F, *Once a Veteran*, and VA Fact Sheet IS–1, *Federal Benefits for Veterans and Dependents.*

XI

A Final Word

Medical officers, hospital staff members and specialized advisors are here to help you. They have seen and helped many cases similar to yours. Their advice is worth listening to.

Do Not Hesitate To Ask Questions!

If you have some problem that you think is a little unusual or is tougher than problems that other people have, perhaps the Red Cross personnel at your hospital or a veterans organization representative can help you solve it. ASK THEM!

If you are wondering about the status of your government insurance, find out who is in charge of that kind of problem and ask for an answer to your question. If you just follow the normal procedures, you will find that most of your difficulties can be ironed out and most of your questions get answered.

Before you reach the point of being released from service, don't fail to find out where you can contact the Veterans Administration and Social Security officials in your hometown or state. Try to get the address of your nearest VA contact and regional office before you go home. Drop in to talk with the VA people soon after you get home to make sure you aren't missing out on any benefits that you deserve to get.

Keep Records

It will be to your advantage, now and in the future, to maintain a personal file of all official papers, correspondence, memoranda, notes, orders, etc. that pertain to your disability so that you can refer to some necessary item. If you have it in a personal file, you save time and trouble.

The benefits due you as a veteran, disabled or not, are offered by your government in appreciation of your military service—but, your cooperation is needed for you and your family to receive the assistance and benefits for which you are eligible.

Two other pamphlets you will be interested in are *Once a Veteran* (DoD PA–5) and *Federal Benefits for Veterans and Dependents* (VA Fact Sheet IS–1). They deal chiefly with the various rights and benefits for which you and your dependents (or survivors) may be eligible. The former is published by the Department of Defense for persons now on active duty who are soon to be discharged. The latter, published by the Veterans Administration, treats the subject of veterans' rights and benefits more from the viewpoint of those already back in civilian life. Both go into the matter of government life insurance for those with a service-connected disability.

Unlike the pamphlet you are now reading, these two are "general pamphlets" in the sense that their contents apply to all categories of service members (or veterans) rather than only to those facing a disability retirement or discharge. Both should be available locally.

DEPARTMENT OF DEFENSE
Washington

July 1, 1988

DISABILITY SEPARATION (DoD PA–1F) — *This official Department of Defense publication is for the use of personnel in the military service.*

DEPARTMENT OF DEFENSE
UNITED STATES OF AMERICA